

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF VERMONT**

**In re
CHRISTOPHER J GONYA**

**CASE NO. 24-10176
CHAPTER 7**

Debtor

**CHRISTOPHER J GONYA
Plaintiff**

vs.

**NAVIENT SOLUTIONS, LLC,
DISCOVER BANK, and
NELNET SERVICING, LLC d/b/a
FIRSTMARK SERVICES
Defendants**

ADV. PRO. CASE NO:

**Debtor's Complaint to Determine Private Student Loans Discharged
For "Undue Hardship" under 11 U.S.C. § 523(a)(8)**

Nature of Action

1. This is an adversary proceeding by which the Debtor seeks a declaration that private student loans constitute an undue hardship for the Debtor and should be discharged pursuant to section 523(a)(8) of the Bankruptcy Code.

Jurisdiction and Venue

2. On August 22, 2024, the Debtor filed a voluntary petition in the United States Bankruptcy Court for the District of Vermont for relief under 11 U.S.C. § 1328, Chapter 13 of the Bankruptcy code.
3. The Court has jurisdiction over this adversary proceeding pursuant to 28 U.S.C. §§ 1334 and 157(a).
4. This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2).
5. Venue is proper in this district pursuant to 28 U.S.C § 1409.

Parties

6. Plaintiff, Christopher J Gonya, is the Debtor in the above captioned case. He is the recipient of private student loans and is a resident of Poultney, Vermont.
7. Defendant Navient Solutions, LLC is a Delaware Limited Liability Company headquartered in Wilmington, Delaware, and holder of some loans at issue.
8. Defendant Discover Bank is a Delaware corporation, headquartered in Greenwood, Delaware and is the holder of some loans at issue.
9. Defendant Nelnet Servicing, LLC d/b/a Firstmark Services is a servicer of private student loans, headquartered in Lincoln, Nebraska, and on information and belief, is the servicer of the Discover Bank loans at issue.

Factual Allegations Related to Navient Solutions, LLC

10. Navient owns 5 loans with a cumulative balance of \$122,143.
11. Despite his best efforts, Gonya is unable to afford a minimum payment towards the loans that would cover both the accrued monthly interest and principal.
12. Gonya has survived through forbearance and reduced payment and interest programs but has run out of options.
13. The minimum payment prior to filing bankruptcy was over \$1,000 a month.
14. Navient loans are not federal loans and do not have any of the programs available to federal loans, such as payments based on income, disability discharge, death discharge, or forgiveness after a term of repayment.
15. Navient loans are not federal loans and do not offer any ability to cure a default and as such the full amount of approximately \$122,143 would be due and payable immediately upon default.
16. These loans have not yet defaulted.
17. Navient, upon default, has the right to sue.
18. Upon judgment, Navient could garnish as much as 25% of Gonya's pay.
19. Further, upon judgment, interest will accrue at 12%, which is over \$14,000 a year.
20. Gonya's monthly take-home pay is only \$2,800, which means after paying just the post-judgment interest, he would have \$1,500 for living expenses.
21. According to expenses on Schedule J, monthly living expenses are \$2,650, without including a federal student loan payment.
22. Any judgment and post-judgment remedy against Gonya would force him to live his life in a perpetual chapter 13.

Factual Allegations Related to Discover Bank and Firstmark Services

23. Discover owns two loans with a cumulative balance of \$6,032.
24. On information and belief, Firstmark is the servicer of these loans.
25. Prior to filing the bankruptcy, the minimum payment was \$150 a month.
26. Discover loans are not federal loans and do not have any of the programs available to federal loans, such as payments based on income, disability discharge, death discharge, or forgiveness after a term of repayment.
27. Discover loans are not federal loans and do not offer any ability to cure a default and as such the full amount of approximately \$6,032 would be due and payable immediately upon default.
28. These loans have not yet defaulted.
29. Discover, upon default, has the right to sue.
30. Upon judgment, Discover could garnish as much as 25% of Gonya's pay.
31. Further, upon judgment, interest will accrue at 12%, which is over \$700 a year.
32. This combined with the large payment requirement for Navient would force Gonya to live in a perpetual Chapter 13.

Factual Allegations Related to All Parties

33. Gonya is 42 years old, working as a kitchen manager for a catering company.
34. Gonya has made good faith attempts to make payments prior to his bankruptcy by taking advantage of reduced rate programs offered by the defendants.
35. Gonya has minimized his expenses as best possible.
36. Gonya has maximized his income as best possible with his degree and the economic climate.
37. Gonya received an Associate degree but could not complete his Bachelor degree as his college, Green Mountain College, closed while attending.
38. Gonya also has learning disabilities which make completing his degree difficult and unlikely.
39. Gonya's income will never be enough to overcome the high variable interest rates on the loans and he will never be able to afford the minimum payments.
40. Both the Navient and Discover loans cumulatively represent an undue hardship to Gonya.

Claim for Relief: Undue Hardship Discharge

41. The Debtor repeats and realleges the allegations contained in paragraphs 1 through 40 of this Complaint as if fully set forth herein.
42. The repayment of private student loans made to Gonya would be an undue hardship to him.
43. As a result, his private student loan obligations should be discharged pursuant to Bankruptcy code section 523(a)(8).

WHEREFORE, the Debtor requests a judgment determining that his private student loans are discharged pursuant to Bankruptcy Code section 523(a)(8).

Dated November 1, 2024

Respectfully Submitted,
CHRISTOPHER J GONYA

By his attorney,

/s/Joshua RI Cohen

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